Blending of ethanol with petroleum

2923. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have discontinued the policy of permitting blending of ethanol with petrolem products;

(b) if so, the rationale for the change in the policy; and

(c) whether Government are aware that this change in policy has caused serious hardship not only to the producers of sugarcane who get a lesser price but also to the sugar factories which have lost a lucrative source of income?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) No, Sir. When difficulties were experienced in procuring ethanol in adequate quanties at reasonable prices, a fresh Gazette Notification, No. GSR705 (E) was issued on 27.10.2004 which was in line with the ground realities and would make purchase of ethanol by Oil Companies commercially viable. Oil companies have finalized the purchase of ethanol in Uttar Pradesh and tenders have been invited for procurement of ethanol for other notified States/Union Territories in terms of the above Gazette Notification.

(c) As the process of procurement of ethanol is continuing through tenders, and the sugar industry is responding to tenders, no evidence of hardship for the sugar industry has come to the notice of the Government. In fact, on 4th August 2005, a Memorandum of Understanding (MoU) was concluded between Indian Oil Corporation, the industry coordinator for oil marketing companies, and the Indian Sugar Mills Association (ISMA), to ensure sustained availability of ethanol at commercially sustainable prices.

Incentives to employees of OIL PSUs

2924. SHRI A. VIJAYARAGHAVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: